

Equipment Leasing and Finance Association's Survey of Economic Activity: Monthly Leasing and Finance Index

February New Business Volume Up 9 Percent Year-over-year, Down 9 Percent Month-to-month, Down Almost 4 Percent Year-to-date

Washington, DC, March 23, 2021—The [Equipment Leasing and Finance Association's](#) (ELFA) **Monthly Leasing and Finance Index** (MLFI-25), which reports economic activity from 25 companies representing a cross section of the \$900 billion equipment finance sector, showed their overall new business volume for February was \$7.4 billion, up 9 percent year-over-year from new business volume in February 2020. Volume was down 9 percent month-to-month from \$8.1 billion in January. Year-to-date, cumulative new business volume was down almost 4 percent compared to 2020.

Receivables over 30 days were 2.1 percent, down from 2.2 percent the previous month and up from 2.0 percent in the same period in 2020. Charge-offs were 0.55 percent, up from 0.47 percent the previous month and up from 0.51 percent in the year-earlier period.

Credit approvals totaled 76.8 percent, up from 76.2 percent in January. Total headcount for equipment finance companies was down 4.2 percent year-over-year.

Separately, the Equipment Leasing & Finance Foundation's Monthly Confidence Index (MCI-EFI) in March is 67.7, an increase from the February index of 64.4, and the highest level since April 2018.

ELFA President and CEO Ralph Petta said, "February metrics show healthy new business growth compared to the same period pre-pandemic last year. As vaccine distribution picks up across the country, labor markets improve and interest rates remain low, the U.S. economy will only improve as we move into Q2. Business confidence is at an historic high as measured by our Foundation's Monthly Confidence Index (MCI). All this bodes well for business growth and expansion and the accompanying accelerating demand for productive equipment."

Christopher Johnson, President, Financial Services, Pitney Bowes, said, "It's encouraging to see new business volume and confidence levels increase as organizations continue to deal with the financial impact of the pandemic. The results should provide a glimmer of hope to small- and lower middle-market businesses in particular—they've been hit the hardest and have found it much more difficult to secure capital than larger companies. The pandemic may have been a setback to many of these businesses, but they are poised to come out of the crisis stronger as they are well positioned to capture the upswing in growth. While we did see an initial uptick in delinquency, in line with the market, our portfolio has performed well through the pandemic. Now is the time for the lending community to step up and support these businesses who are an important segment of our economy. Pitney Bowes has over 100 years of experience supporting our 750,000 small business clients. We have a robust history of lending, we have access to capital, and we have been firm in our commitment to Main Street."

About ELFA's MLFI-25

The MLFI-25 is the only index that reflects capex, or the volume of commercial equipment financed in the U.S. The MLFI-25 is released globally at 8 a.m. Eastern time from Washington, D.C., each month on the day before the U.S. Department of Commerce releases the [durable goods report](#). The MLFI-25 is a financial indicator that complements the durable goods report and other economic indexes, including the [Institute for Supply Management Index](#), which reports economic activity in the manufacturing

sector. Together with the MLFI-25 these reports provide a complete view of the status of productive assets in the U.S. economy: equipment produced, acquired and financed.

The MLFI-25 is a time series that reflects two years of business activity for the 25 companies currently participating in the survey. The latest MLFI-25, including methodology and participants, is available at www.elfaonline.org/Data/MLFI/.

MLFI-25 Methodology

ELFA produces the MLFI-25 survey to help member organizations achieve competitive advantage by providing them with leading-edge research and benchmarking information to support strategic business decision making.

The MLFI-25 is a barometer of the trends in U.S. capital equipment investment. Five components are included in the survey: new business volume (originations), aging of receivables, charge-offs, credit approval ratios, (approved vs. submitted) and headcount for the equipment finance business.

The MLFI-25 measures monthly commercial equipment lease and loan activity as reported by participating ELFA member equipment finance companies representing a cross section of the equipment finance sector, including small ticket, middle-market, large ticket, bank, captive and independent leasing and finance companies. Based on hard survey data, the responses mirror the economic activity of the broader equipment finance sector and current business conditions nationally.

About ELFA

The Equipment Leasing and Finance Association (ELFA) is the trade association that represents companies in the nearly \$1 trillion equipment finance sector, which includes financial services companies and manufacturers engaged in financing capital goods. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad. Its 575 members include independent and captive leasing and finance companies, banks, financial services corporations, broker/packagegers and investment banks, as well as manufacturers and service providers. In 2021, ELFA is celebrating 60 years of equipping business for success. For more information, please visit www.elfaonline.org.

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ELFA is the premier source for statistics and analyses concerning the equipment finance sector. Please visit www.elfaonline.org/Data/ for additional information.

The Equipment Leasing & Finance Foundation is a 501c3 non-profit organization that propels the equipment finance sector—and its people—forward through industry-specific knowledge, intelligence, and programs that contribute to industry innovation, individual careers, and the overall betterment of the equipment leasing and finance industry. The Foundation is funded through charitable individual and corporate donations. Learn more at www.leasefoundation.org.

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Media/Press Contact: Amy Vogt, Vice President, Communications and Marketing, ELFA, 202-238-3438 or avogt@elfaonline.org